

U.S. agrees to sell supercomputer to China, officials say Administration aims to embrace, not isolate, Beijing

By **New York Times News Service**

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WASHINGTON -- In a good-will gesture toward China, the Clinton administration has agreed to sell it a sophisticated \$8 million supercomputer, senior administration officials said yesterday.

The decision is part of the administration's strategy to embrace, rather than isolate, China despite disagreements over human rights, weapons proliferation and trade. The Clinton administration is determined to grab an ever-larger share of China's market, the fastest growing in the world, and reduce a trade deficit that could exceed that with Japan by the end of the decade.

Even more significant for American business, the administration has also decided to lift the ban on important components for China's nuclear power plants, such as generators, senior Commerce Department officials said. That could mean billions of dollars in sales for General Electric Co., which has begun to break into the burgeoning nuclear power market in China.

But the decision to go forward with the supercomputer sale is strategically more important because it signals the willingness of the Clinton administration to sell high-technology equipment to Beijing.

The Clinton administration was also eager to give a lift to the financially troubled company that makes the computer, Cray Research Inc.

The decision was relayed to China's foreign minister, Qian Qichen, by Secretary of State Warren Christopher in Seattle on Wednesday. Senior White House officials said yesterday that it had not been decided whether Mr. Clinton would announce the supercomputer decision, as well as other parts of the economic package, after he met with China's president, Jiang Zemin, in Seattle today.

The administration decided to allow the sale despite clear evidence that China has broken its promises to Washington by exporting M-11 missile components and technology to Pakistan. Those exports violated an international missile control accord.

The computer is for use in weather prediction by China's State Meteorological Administration. Although there has never been a statutory ban on the supercomputer sale, the Bush administration postponed the sale last December after intelligence reports showed that China had exported the M-11 technology. But in the final days of his administration, Mr. Bush overruled the Defense Department and ordered the approval of a license pending necessary processing.

That put the decision on the desk of Mr. Clinton, who had accused Mr. Bush in the presidential campaign of not doing enough to halt

the spread of nuclear, chemical, biological and ballistic missile technology.

In informing Mr. Qian on Wednesday, Mr. Christopher did not ask for any concessions from Beijing.

"There was no linkage," a senior administration official said. "The only thing we wanted to be sure of was that we weren't running up against any U.S. export restrictions."

Mr. Christopher also told Mr. Qian that the United States would be prepared to interpret an American law governing the export of high technology to China to allow the export of two of the seven sophisticated American-made satellites banned by sanctions imposed on China in August, senior administration officials said.

But the administration could offer such a gesture only if China opened formal talks on the sanctions and its missile sales, which thus far it has refused to do, arguing that the sanctions had to be lifted first.

Mr. Qian showed some flexibility, saying that the Chinese were willing to study entering into such consultations, the officials said.

Some administration experts on nonproliferation, particularly in the Defense and Energy departments, argued against sale of the supercomputer, saying it would give China important new technology that could help its nuclear and ballistic missile development.